

**WILLIAMS INDUSTRIAL SERVICES GROUP INC.**  
**2015 EQUITY INCENTIVE PLAN**  
**(As Amended and Restated as of May 12, 2020)**

**PLAN SUMMARY AND PROSPECTUS**

This Plan Summary and Prospectus relates to the common stock of Williams Industrial Services Group Inc. (“Shares”) to be issued or delivered to directors, officers and other key employees under the Williams Industrial Services Group Inc. 2015 Equity Incentive Plan (the “Plan”). It summarizes the main features of the Plan. You should refer to the Plan if you have additional questions. If there is any inconsistency between the information in this Plan Summary and Prospectus and the Plan, the Plan provisions will govern. This Plan Summary and Prospectus relates to 3,500,000 Shares that may be issued or delivered pursuant to awards granted under the Plan.

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The Shares are traded on the OTCQX® Best Market.  
The date of this Plan Summary and Prospectus is June 10, 2020.

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<p><b>This document constitutes part of a prospectus covering securities that have been registered under the Securities Act of 1933, as amended.</b></p>
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## **GENERAL INFORMATION**

***1. What is the purpose of the Plan and who is eligible to participate in the Plan?***

The purpose of the Plan is to attract and retain directors, officers and other key employees of Williams Industrial Services Group Inc. (the “Company”) and its subsidiaries and to provide to such persons incentives and rewards for superior performance.

***2. When did the Plan become effective?***

The Plan was originally adopted by the Board of Directors effective as of January 29, 2015 and was first approved by stockholders on May 8, 2015. The Plan was amended and restated, and approved by our stockholders, as of June 10, 2019, to increase the number of Shares reserved for issuance by 1,000,000 Shares and to reflect the Company’s name change. On April 27, 2020, the Board of Directors amended the Plan to provide that any Shares withheld for taxes upon exercise or vesting of an award on or after March 31, 2020 will again be available for issuance under the Plan. On May 12, 2020, the Board of Directors amended the Plan to increase the maximum number of Shares available for settlement of awards by 1,500,000 Shares

***3. Who is eligible to receive awards under the Plan?***

The Compensation Committee (as described in Question 7 below) may select officers and other key employees of the Company and its subsidiaries to receive awards under the Plan, and the Board of Directors may grant awards to non-employee members of the Board of Directors.

***4. What types of awards can I receive under the Plan?***

The Plan authorizes the grant of the following types of awards to eligible participants:

- Stock options to purchase Shares which may be either incentive stock options that are intended to qualify for favorable tax treatment under Section 422 of the Internal Revenue Code (referred to as “incentive stock options”) or stock options that are not intended to so qualify (referred to as “nonqualified stock options”). Non-employee directors are not eligible to receive incentive stock options.
- Stock appreciation rights (or “SARs”).
- Restricted shares, which are Shares that may be subject to a substantial risk of forfeiture and restrictions on transfer during a designated restriction period.
- Restricted share units, which represent the right to receive a specified number of Shares (or an equivalent amount of cash) after the end of a restriction period.
- Other share-based awards that may be payable in, valued in whole or part in, or otherwise based on Shares.
- Cash-based awards that are payable in cash.

The Compensation Committee may condition the vesting, exercise or settlement of any award upon the achievement of one or more performance objectives. Stock options, SARs, restricted shares, restricted share units, other-share based awards and cash-based awards are more fully described below.

**5. *How many Shares may be awarded under the Plan?***

The Company has reserved 3,500,000 Shares for delivery under the Plan, plus any Shares that are subject to awards granted under the Plan that are forfeited, terminated or settled only in cash and Shares withheld for taxes upon exercise or vesting of an award. This Share limit is subject to adjustment for reorganizations, recapitalizations, stock splits, stock dividends, and other similar events. Shares surrendered for the payment of the exercise price under stock options and Shares repurchased by the Company with option proceeds will not again be available for issuance under the Plan. In addition, if a SAR is exercised and settled in Shares, all of the Shares underlying the SAR will be counted against the Plan's Share limit regardless of the number of Shares used to settle the SAR. The Shares delivered under the Plan may be unissued or treasury Shares, Shares purchased in the open market or a combination of the foregoing.

**6. *Are there any limits on the amounts of particular types of awards that may be granted under the Plan?***

Yes. The Plan imposes various sub-limits on the number of Shares that may be issued or delivered under the Plan. For example, in order to comply with the rules applicable to incentive stock options, the Plan provides that 2,000,000 of the Shares available for issuance under the Plan may be issued upon the exercise of incentive stock options. Additionally, a non-employee director may not be granted, during any one calendar year, awards with a grant date fair value for financial accounting purposes of more than \$250,000.

These sub-limits are subject to adjustment for reorganizations, recapitalizations, stock splits, stock dividends, and other similar events.

**7. *Who administers the Plan?***

In general, the Plan is administered by the Compensation Committee of the Board of Directors of the Company. The Compensation Committee will have full and final authority in its discretion to take all actions determined by the Compensation Committee to be necessary in the administration of the Plan. For example, the Compensation Committee generally will determine whether awards will be granted under the Plan, which employees and non-employee directors of the Company and its subsidiaries will participate in the Plan, and the types, amounts, terms and conditions of any award or combination of awards that it decides to grant under the Plan. All determinations and decisions made by the Compensation Committee pursuant to the provisions of the Plan will be final, conclusive and binding on all persons.

The members of the Compensation Committee are appointed by the Board of Directors based on recommendations from the Nominating and Corporate Governance Committee of the Board of Directors. The members of the Compensation Committee shall serve for such term or terms as the Board of Directors may determine or until earlier resignation or death. The Board of Directors may remove any member from the Compensation Committee at any time with or without cause.

Our Board of Directors may reserve to itself any or all of the authority and responsibility of the Compensation Committee under the Plan or may act as administrator of the Plan for any and all purposes. The Board of Directors specifically reserves the exclusive authority to approve and administer all awards granted to non-employee directors under the Plan. In addition, to the extent permitted by applicable laws,

the Board of Directors or the Compensation Committee may, in its discretion, delegate to one or more directors or employees any of the Compensation Committee's authority under the Plan.

**8. *Can the Plan be amended or terminated?***

The Board of Directors may amend or terminate the Plan from time to time and in whole or in part without further approval by the stockholders of the Company, except where stockholder approval is required by applicable law or specific rules or regulations of an applicable exchange. The Board of Directors may not amend or terminate the Plan without your consent if the amendment or termination would have a material adverse effect on any grant previously made to you under the Plan.

The Compensation Committee may, with any necessary approval of the stockholders, authorize any amendment to any outstanding award, to waive service-based or performance-based restrictions applicable to an outstanding award, or to make minor, administrative or legally-required changes to the Plan.

**9. *How long will the Plan continue?***

The Plan will terminate on January 28, 2025, unless the Board of Directors terminates the Plan prior to that time.

**10. *How do I know if I have received an award under the Plan?***

Each award granted under the Plan will be evidenced by an agreement (or other evidence of the award), which will be executed on behalf of the Company and delivered to you. This agreement will contain the terms and conditions of the award as the Compensation Committee may determine, consistent with the terms of the Plan.

**11. *Does an award under the Plan increase my rights as an employee or director of the Company?***

No. The Plan does not give you any rights with respect to continuation of employment or service with the Company or any subsidiary. It does not interfere with any right that the Company or any subsidiary would otherwise have to terminate your employment or service at any time.

**DESCRIPTION OF AWARDS**

***STOCK OPTIONS***

**12. *What is a stock option?***

A stock option is an opportunity to buy Shares in the future at a specified price. Each grant of options will specify the price payable per Share upon the exercise of the option. This option price will not be less than the fair market value of a Share, as determined by the Compensation Committee, on the date the option is granted. Prior to exercise, you will have no voting rights or rights to any dividends on any shares subject to a stock option.

**13. *What kinds of options may be granted under the Plan?***

Two kinds of options may be granted: incentive stock options and nonqualified stock options. Incentive stock options and nonqualified stock options are treated differently for U.S. federal income tax

purposes. See Questions 38 through 47. Except for the tax differences, the two types of options are basically the same. Non-employee directors are not eligible to receive incentive stock options.

**14. *When can I exercise my option?***

Each grant of options will specify the period of your continuous employment or service with the Company or any of its subsidiaries that is necessary before the option (or portions of the option) will become exercisable. See Question 37 for a description of vesting periods for awards granted to employees. The Compensation Committee may provide in your award agreement that a grant of options becomes exercisable in installments. The Shares constituting each installment may be purchased in whole or in part at any time after the installment becomes exercisable, subject to any minimum exercise requirement designated by the Compensation Committee in your award agreement. As specified in your award agreement, the ability to exercise your options may be affected by your termination of employment (or, if you are a director, your termination of service as a director) or a change in control. Please refer to Question 30 for more details regarding the effect of a change in control.

**15. *How can I pay the option price when I exercise my option?***

Each grant of options will specify the form and manner of payment of the option price, which may include cash or check, previously acquired Shares, a cashless exercise (including withholding of Shares deliverable upon exercise and through a broker-assisted arrangement), any other method approved or accepted by the Compensation Committee or by a combination of such methods of payment.

**16. *When does my option expire?***

In general, stock options may have a maximum term of 10 years from the date of grant. An option may terminate at an earlier date, depending on the terms and conditions specified by the Compensation Committee in your award agreement.

**17. *Can I receive more than one grant of stock options?***

Yes. You may receive a new option grant even though you have previous options that remain unexercised.

***STOCK APPRECIATION RIGHTS***

**18. *What are stock appreciation rights or SARs?***

A SAR is the right to receive the excess, if any, of the fair market value of a Share on the date of exercise of the SAR over the exercise price for one Share as specified by the Compensation Committee in your award agreement.

Each grant of SARs will specify the period of your continuous employment or service with the Company or any of its subsidiaries that is necessary before the SARs (or installments of SARs) will become exercisable. See Question 37 for a description of vesting periods for awards granted to employees. As specified in your award agreement, the ability to exercise your SARs may be affected by your termination of employment (or, if you are a director, your termination of service as a director) or a change in control. Please refer to Question 30 for more details regarding the effect of a change in control. Any grant of SARs may also specify that the amount payable upon exercise may be paid by the Company in cash, Shares or any combination thereof.

**19. *What else should I know about SARs?***

Each grant of SARs will specify an exercise price per share, which will be equal to or greater than the fair market value of a share of common stock on the date of grant.

**20. *Can I receive more than one grant of SARs?***

Yes. You may receive a new grant of SARs even though you have previous SARs that remain unexercised.

***RESTRICTED SHARES***

**21. *What are restricted shares?***

Restricted shares involve the immediate transfer of ownership of a specified number of Shares by the Company to you in consideration of your performance of services for the Company or any of its subsidiaries. The transfer may be made without payment by you to the Company or, as determined by the Compensation Committee in your award agreement, it may require a payment to the Company of an amount that is less than or equal to the fair market value of a Share on the date of grant.

**22. *What rights do I have if I receive restricted shares?***

You are immediately entitled to dividend, voting and other rights of ownership in the Shares, except as otherwise determined by the Compensation Committee or provided in the Plan. However, your restricted shares will be subject to a “substantial risk of forfeiture” for a period to be determined by the Compensation Committee and specified in your award agreement on the date of grant. See Question 37 for a description of vesting periods for awards granted to employees. An example is a provision that the restricted shares are forfeited if you cease to be an employee of the Company during a specified period of years. Vesting of restricted shares may also be conditioned on the achievement of specific performance objectives, as described in Question 29. Dividends or other distributions paid on restricted shares that vest based on the achievement of performance objectives will be accumulated until the performance objectives are achieved and the restricted shares are earned. In order to enforce the forfeiture provisions, the transferability of restricted shares will be prohibited or restricted in a manner and to the extent determined by the Compensation Committee and specified in your award agreement.

As specified in your award agreement, the restrictions applicable to your restricted shares may be affected by your termination of employment (or, if you are a director, your termination of service as a director) or service or a change in control. Please refer to Question 30 for more details regarding the effect of a change in control.

**23. *What happens to the stock during the restriction period?***

The restricted shares will be issued in book-entry only form, and the restrictions on transfer will be reflected on the Company’s stock transfer records until all restrictions have lapsed.

## ***RESTRICTED SHARE UNITS***

### ***24. What are restricted share units?***

A grant of restricted share units constitutes an agreement by the Company to transfer ownership of a specified number of Shares (or an equivalent amount of cash) to you at a future date in consideration of your performance of services for the Company or any of its subsidiaries. As specified in your award agreement, the restrictions applicable to your restricted share units may be affected by your termination of employment or service or a change in control. Please refer to Question 30 for more details regarding the effect of a change in control. The vesting and payment of restricted share units may also be subject to the fulfillment of certain conditions determined by the Compensation Committee and specified in your award agreement on the date of grant such as the achievement of performance objectives. The grant of restricted share units may be made without payment by you to the Company or it may require a payment to the Company of an amount that is less than the fair market value of the underlying Shares on the date of grant of the restricted share unit.

Your award agreement will state whether the amount payable to you at the end of the restriction period will be paid in cash, Shares or any combination thereof.

### ***25. What rights do I have if I am granted restricted share units?***

During the restriction period, you will not be entitled to transfer any of your rights with respect to the restricted share units or the underlying Shares, and you will not have any voting, dividend or other rights of ownership. The Compensation Committee may authorize in your award agreement the payment of dividend equivalents in cash or Shares on a current, deferred or contingent basis. However, any dividend equivalents granted by the Compensation Committee with respect to restricted share units that vest based on the achievement of performance objectives shall be accumulated until the performance objectives are achieved and the restricted share units are earned.

### ***26. How long is the restriction period?***

Generally, the restriction period is determined by the Compensation Committee and specified in your award agreement at the time of grant. See Question 37 for a description of vesting periods for awards granted to employees.

## ***OTHER SHARE-BASED AWARDS***

### ***27. What are other share-based awards?***

Other share-based awards are awards granted under terms and conditions established by the Compensation Committee that may be denominated or payable in, valued in whole or in part by reference to, or otherwise based on or related to, Shares or factors that may influence the value of Shares. Examples of other-share based awards could include unrestricted Shares, stock units, convertible or exchangeable debt securities, purchase rights for shares of common stock, or awards with value and payment contingent upon the performance of the Company or its subsidiaries.

Other share-based awards may be granted subject to vesting conditions requiring continued service and/or the achievement of performance objectives. See Question 37 for a description of vesting periods for awards granted to employees. Other share-based awards may be granted with a right to receive dividend equivalents. However, any right to dividend equivalents with respect to any other share-based award that

vests based on the achievement of performance objectives shall be accumulated until the performance objectives are achieved and the other share-based award is earned.

### **CASH-BASED AWARDS**

#### **28. *What are cash-based awards?***

Cash-based awards are awards granted under terms and conditions established by the Compensation Committee that provide grantees with a right to receive a specified amount of cash. For example, cash-based awards may be granted subject to vesting conditions requiring continued service and/or the achievement of performance objectives. See Question 37 for a description of vesting periods for awards granted to employees.

### **OTHER IMPORTANT TERMS OF THE PLAN**

#### **29. *What are “performance objectives”?***

Any award may be granted subject to conditions on vesting, payment or exercise based upon the achievement of certain performance objectives. Performance objectives are measurable performance goals established by the Compensation Committee with respect to an award. Performance objectives may be described in terms of either company-wide objectives or objectives that are related to your individual performance or the performance of a subsidiary, division, department, unit, function, partnership, joint venture or minority investment, product line or product. Performance objectives may be relative to the performance of a group of comparable companies, or published or special index that our Compensation Committee, in its discretion, deems appropriate, or the Compensation Committee may select performance objectives as compared to various stock market indices.

#### **30. *What happens in the event of a “change in control” of the Company?***

In the event of a change in control of the Company, then the following provisions will apply:

- For awards assumed or replaced by the surviving entity, then outstanding awards subject to performance objectives will be converted at target and, along with all other awards, shall continue to vest during the applicable vesting/performance period. However, if within two years after the effective date of the change in control, your employment is terminated other than for cause, death or disability or you resign for good reason, then:
  - all outstanding awards that may be exercised shall become fully exercisable and shall remain exercisable for the full duration of their term;
  - all restrictions with respect to outstanding awards shall lapse, with any specified performance objectives with respect to outstanding awards deemed to be satisfied at the “target” level; and
  - all outstanding awards shall become fully vested.
- For awards not assumed or replaced by the resulting entity, effective immediately prior to the change in control:
  - all outstanding awards held by you that may be exercised shall become fully exercisable and shall remain exercisable for the full duration of their term;

- all restrictions with respect to outstanding awards shall lapse, with any specified performance objectives with respect to outstanding awards deemed to be satisfied at the “target” level; and
- all outstanding awards shall become fully vested.

In addition, in connection with a change in control, the Compensation Committee may, in its sole discretion, cancel any award in exchange for a cash payment based on the fair market value of the Shares subject to the award, less any exercise price or grant price. If the fair market value of a Share does not exceed the exercise price or grant price of an award, the Compensation Committee may cancel that award without payment of consideration.

A change in control occurs, generally, when there is significant change in the ownership of the Company or its assets. A change in control also would occur if there was a significant change in the composition of the Company’s Board of Directors or the shareholders approve a complete liquidation or dissolution of the Company. The Plan contains the complete, detailed “change in control” definition.

As defined in the Plan, “cause” will have the meaning set out in an applicable employment, letter or severance agreement between you and the Company or a subsidiary or, if none, under a severance plan or arrangement maintained by the Company or a subsidiary. If you are not a party to such an agreement or plan, “cause” generally will mean: (i) continued failure to perform duties; (ii) willful material misrepresentation; (iii) commission of any act of fraud, misappropriation or embezzlement against or in connection with the Company or any of its subsidiaries or their respective businesses or operations; (iv) a conviction, guilty plea or plea of nolo contendere for any crime involving dishonesty or for any felony; (v) a material breach of your fiduciary duties of loyalty or care to the Company or any of its subsidiaries or a material violation of certain the Company policies; (vi) engaging in illegal conduct, gross misconduct, gross insubordination or gross negligence that is materially and demonstrably injurious to the Company’s business or financial condition; or (vii) engaging in any activity in violation of any restrictive covenant.

As defined in the Plan, “good reason” will have the meaning set out in an applicable employment, letter or severance agreement between you and the Company or a subsidiary or, if none, under a severance plan or arrangement maintained by the Company or a subsidiary. If you are not a party to such an agreement or plan, “good reason” generally will mean a reduction of your annual base salary by more than 10% (other than an across-the-board reduction which applies in a comparable manner to other senior executives).

**31. *Are my awards subject to forfeiture or repayment?***

If the Compensation Committee determines you have engaged in any “detrimental activity,” either during service with the Company or a subsidiary or after termination of such service, then, promptly upon receiving notice of the Compensation Committee’s determination: (i) you will forfeit the award, to the extent then held by you; (ii) you will be required to return to the Company or a subsidiary all the Shares you acquired within two years prior to the date of your initial commencement of the detrimental activity and that you still own, in exchange for payment of any amount you actually paid for those Shares; and (iii) with respect to any Shares that you acquired within two years prior to the date of your initial commencement of the detrimental activity but that you no longer own, you will be required to repay to the Company or a subsidiary in cash the difference between the fair market value of those Shares on the date you acquired them and the amount you paid for those Shares. The Company can set off any amount that you fail to return or repay against any other amounts that the Company may owe to you.

Detrimental activity generally means violations of any non-compete, non-solicitation, confidentiality, or ownership of works covenants, each as set forth in any agreement between the participant and the Company or a subsidiary, including, but not limited to, the award agreement or any severance plan maintained by the Company or a subsidiary that covers the participant. Detrimental activity also includes (i) commission of any act of fraud, misappropriation or embezzlement against or in connection with the Company or any of its subsidiaries, or (ii) a conviction, guilty plea or plea of nolo contendere of participant for any crime involving dishonesty or for any felony.

Awards granted under the Plan also may be subject to forfeiture or repayment by you pursuant to any applicable compensation recovery policy adopted by the Company.

**32. *Are my awards transferable?***

Generally, awards granted under the Plan may be transferred only at death to your heirs. Except as determined by the Compensation Committee, stock options and SARs will be exercisable during your lifetime only by you or, in the event of your legal incapacity to do so, by your guardian or legal representative. The Compensation Committee may provide for the designation of a beneficiary to exercise your rights, or to receive payment, with respect to any award upon your death.

**33. *Are the Shares acquired under the Plan subject to resale restrictions?***

Under the federal securities laws, directors and certain officers of the Company may be considered “affiliates” of the Company. “Affiliates” may not offer or sell Shares received under the Plan except: (i) pursuant to a separate registration statement filed by the Company under the Securities Act of 1933, or (ii) pursuant to the exemption from registration set forth in Rule 144 adopted by the Securities and Exchange Commission. The Company has neither any obligation nor present intention to file a registration statement covering offers and sales of Shares received by its affiliates under the Plan.

In addition, if you are a director or executive officer of the Company, your transactions under the Plan and in Shares received under the Plan may be subject to the reporting obligations and short-swing trading restrictions set forth in Section 16 of the Securities Exchange Act of 1934 and the rules adopted by the Securities and Exchange Commission under Section 16. You may obtain further information regarding these obligations and restrictions by contacting the General Counsel of the Company.

**34. *What happens to awards granted under the Plan in the event of a reorganization or other corporate transaction?***

In the event of any equity restructuring, such as a stock dividend, stock split, spinoff, rights offering or recapitalization through a large, nonrecurring cash dividend, our Compensation Committee will adjust the number and kind of Shares that may be delivered under the Plan, the individual award limits, and, with respect to outstanding awards, the number and kind of Shares subject to outstanding awards, the exercise price, and the grant price or other price of Shares subject to outstanding awards, to prevent dilution or enlargement of rights. In the event of any other change in corporate capitalization, such as a merger, consolidation or liquidation, the Compensation Committee may, in its discretion, cause there to be such equitable adjustment as described in the foregoing sentence, to prevent dilution or enlargement of rights. However, unless otherwise determined by the Compensation Committee, we will always round down to a whole number of Shares subject to any award. Any such adjustment will be made by our Compensation Committee, whose determination will be conclusive.

**35. *Is the Plan a “qualified plan” under the Employee Retirement Income Security Act or the Internal Revenue Code?***

The Plan is not subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended, and is not qualified under Section 401(a) of the Internal Revenue Code.

**36. *Is the Plan funded?***

The Plan is unfunded and does not give you any rights that are superior to those of the Company’s general creditors.

**37. *Are awards subject to minimum vesting periods?***

With certain exceptions, awards granted to employees under the Plan will be subject to minimum vesting periods. Generally, awards granted to employees that are subject to the achievement of performance objectives will have a one-year minimum performance period, and awards that are subject to vesting solely based on continued employment will have a one-year minimum vesting period. However, awards to employees covering up to 5% of the Shares available for grant under the Plan may be granted with a vesting period of less than one year, regardless of whether vesting is conditioned on the achievement of performance objectives.

### **U.S. FEDERAL INCOME TAX CONSEQUENCES**

The following is a summary of certain of the U.S. federal income tax consequences of various transactions under the Plan. Because the tax consequences to you may vary depending on your individual situation, you should consult your personal tax advisor regarding the federal, state, local or foreign tax consequences to you.

#### ***NONQUALIFIED STOCK OPTIONS***

**38. *Will the grant of a nonqualified stock option result in U.S. federal income tax liability to me?***

No.

**39. *What U.S. federal income tax liability results upon the exercise of a nonqualified stock option?***

Generally, you will recognize ordinary income at the time of exercise equal to the amount by which the fair market value of the Shares purchased on the date of exercise exceeds the option price. Upon a subsequent sale of the Shares received upon exercise, any difference between the net proceeds of the sale and the fair market value of the Shares on the date of exercise generally will be taxed as capital gain or loss. Capital gain or loss will be long-term if the Shares have been held for more than one year following the exercise date of the option (short-term if the Shares have been held for one year or less).

#### ***INCENTIVE STOCK OPTIONS***

**40. *Will the grant of an incentive stock option result in U.S. federal income tax liability to me?***

No.

**41. Will the exercise of an incentive stock option result in U.S. federal income tax liability to me?**

You generally will not recognize taxable income at the time you exercise an incentive stock option, provided that you exercise the option while employed by the Company or not later than three months after you cease to be an employee of the Company (one year if you are disabled). However, the amount by which the fair market value (at the time of exercise) of the purchased Shares exceeds the option price you paid for the Shares will be included in your income for purposes of the alternative minimum tax (see below).

**42. When will I be subject to U.S. federal income tax on Shares purchased under an incentive stock option?**

Generally, you will recognize income in the year in which you sell or make any other disposition of the Shares purchased pursuant to your incentive stock option.

**43. How is my U.S. federal income tax liability determined when I sell my Shares?**

Your U.S. federal income tax liability will depend upon whether you make a qualifying or disqualifying disposition of the Shares purchased under your incentive stock option. A qualifying disposition will occur if the sale or other disposition of the Shares takes place more than two years after the date the incentive stock option was granted and more than one year after the date the option was exercised for the particular Shares involved in the disposition. Disqualifying dispositions are those which are made before both of these minimum holding periods are satisfied.

**44. What if I make a qualifying disposition?**

If you dispose of your Shares after the minimum holding periods have been satisfied, you generally will recognize a long-term capital gain equal to the excess of (i) the amount realized upon the sale or disposition over (ii) the exercise price paid for the Shares. You generally will recognize a long-term capital loss if the amount realized is lower than the exercise price paid for the Shares.

**45. What if I make a disqualifying disposition?**

If the Shares acquired upon the timely exercise of an incentive stock option are sold, exchanged, or otherwise disposed of without satisfying the holding period requirement (a “disqualifying disposition”), you will, in the usual case, recognize ordinary income at the time of disposition equal to the amount of the excess of (i) the fair market of the Shares on the date of exercise of the incentive stock option over (ii) the option price for such Shares. Any additional gain recognized upon the disqualifying disposition generally will be capital gain, which will be short-term or long-term depending on whether the Shares have been held for more than one year following the exercise date of the option.

However, upon a disqualifying disposition with respect to which any loss (if sustained) would be recognized, the amount includible as ordinary income will be limited to the excess, if any, of the net amount realized on the sale or exchange over your basis in such Shares.

**46. What is the alternative minimum tax?**

Individuals are subject to an alternative minimum tax based upon an expanded tax base to the extent such tax exceeds the regular tax liability. The alternative minimum tax is imposed on alternative minimum taxable income in excess of an exemption amount. Alternative minimum taxable income generally is the taxpayer’s taxable income, increased or decreased by certain adjustments and increased by certain preferences.

The spread on an incentive stock option (the excess of the fair market value of the purchased Shares at the time of exercise over the aggregate option price paid for those Shares) is normally included in your alternative minimum taxable income at the time of exercise, whether or not you later sell the Shares in a disqualifying disposition. If you pay alternative minimum taxes for one or more taxable years, the amount of the taxes so paid (subject to certain adjustments and reductions) will be applied as a partial credit against your regular tax liability (but not alternative minimum tax liability) for subsequent taxable years.

Upon the sale or other disposition of the purchased Shares, whether in the year of exercise or in any subsequent taxable year, your basis for computing the gain for purposes of alternative minimum taxable income (but not regular taxable income) will include the amount of the option spread previously included in your alternative minimum taxable income.

**47. *What else should I know about incentive stock options?***

Stock options otherwise qualifying as incentive stock options will be treated as nonqualified stock options to the extent that the aggregate fair market value of stock with respect to which incentive stock options are exercisable for the first time by you during any calendar year (under all of the Company's plans and any of its subsidiaries' plans) exceeds \$100,000.

***STOCK APPRECIATION RIGHTS***

**48. *What are the U.S. federal income tax consequences associated with stock appreciation rights or SARs?***

You will not recognize income upon the grant of a SAR. When the SAR is exercised, you will recognize ordinary income in an amount equal to the amount of cash received and the fair market value of any unrestricted Shares received upon exercise.

***RESTRICTED SHARES***

**49. *What are the U.S. federal income tax consequences associated with restricted shares?***

You will not recognize income upon the receipt of restricted shares, unless you make an election under Section 83(b) of the Internal Revenue Code (a "Section 83(b) Election"), as described below.

If you do not make a Section 83(b) Election, you will recognize ordinary income in the year during which the restrictions terminate in an amount equal to any excess of the fair market value of the Shares on the date that the restrictions terminate or are otherwise removed over any amount paid by you for the restricted shares. Your holding period for determining whether gain or loss on a subsequent sale of the Shares is short-term or long-term will begin on the date that the restrictions terminate or are otherwise removed. Any unrestricted dividends received with respect to Shares that are subject to restrictions will be treated as additional compensation income and not as dividend income.

If you make a Section 83(b) Election, you will recognize ordinary income in the year you receive the restricted shares in an amount equal to the excess of the fair market value of the Shares (determined without regard to the restrictions thereon) at the time of transfer over any amount paid by you. Your holding period for determining whether gain or loss on a subsequent sale of the Shares is short-term or long-term will begin on the date that the restricted shares are transferred to you. Any unrestricted dividends received with respect to the restricted shares will be treated as dividend income and not as compensation income. If you make a Section 83(b) Election with respect to Shares that are subsequently forfeited, you will not be

entitled to deduct any amount previously included in your income by reason of the Section 83(b) Election. A Section 83(b) Election must be made within 30 days after the restricted shares are transferred to you.

### ***RESTRICTED SHARE UNITS***

***50. What are the U.S. federal income tax consequences associated with restricted share units?***

You will not recognize income upon a grant of restricted share units. When the award is paid, you generally will recognize ordinary income in an amount equal to the amount of cash and the fair market value of any unrestricted Shares received. Your capital gain/loss holding period for any unrestricted shares received on payment of your restricted share units will begin on the date that you receive the unrestricted shares.

### ***OTHER SHARE-BASED AWARDS***

***51. What are the U.S. federal income tax consequences associated with other share-based awards?***

The tax consequences of other share-based awards will depend upon the terms and conditions of the particular award, as established by the Compensation Committee. Generally, however, you will recognize ordinary income in an amount equal to the amount of cash and the fair market value of any unrestricted Shares received on payment of other share-based awards.

### ***CASH-BASED AWARDS***

***52. What are the U.S. federal income tax consequences associated with cash-based awards?***

Generally, you will recognize ordinary income in an amount equal to the amount of cash received on payment of a cash-based award.

### ***DIVIDEND EQUIVALENTS***

***53. What are the U.S. federal income tax consequences associated with dividend equivalents?***

Generally, any dividend equivalents awarded with respect to awards under the Plan and paid in cash or unrestricted Shares will be taxed at ordinary income rates when received by you.

## **OTHER IMPORTANT TAX ISSUES**

***54. What is Section 409A and how does it apply?***

Section 409A of the Internal Revenue Code imposes additional restrictions on certain awards granted under the Plan. If an award under the Plan constitutes “nonqualified deferred compensation” and fails to satisfy the requirements of Section 409A, then the award recipient will be subject to accelerated taxation, a 20% penalty and interest.

The Company intends that the Plan and any awards granted under the Plan will comply with the provisions of Section 409A, and the Compensation Committee will administer and interpret the Plan consistent with that intent. For example:

- Awards will be designed and administered in such a manner that they are either exempt from the application of, or comply with, the requirements of Section 409A. To the extent that the Compensation Committee determines that any award granted under the Plan is subject to Section 409A, the award agreement shall incorporate the terms and conditions necessary to avoid the imposition of an additional tax under Section 409A upon a participant.
- An award shall not be granted, deferred, accelerated, extended, paid out, settled, substituted or modified in a manner that would result in the imposition of an additional tax under Section 409A upon a participant.
- If an award is subject to Section 409A, and if you are a “specified employee” (as defined in Section 409A, with such classification to be determined in accordance with the methodology established by the Company), no distribution or payment of any amount shall be made before a date that is six months following the date of your “separation from service” (as defined in Section 409A) or, if earlier, the date of your death.

Although the Company intends to administer the Plan so that awards will be exempt from, or will comply with, the requirements of Section 409A, it does not warrant that any award under the Plan will qualify for favorable tax treatment under Section 409A or any other provision of federal, state, local, or foreign law. Neither the Company, its affiliates, its subsidiaries, nor their respective directors, officers, employees or advisers shall be liable to you or any other person for any tax, interest, or penalties that you might owe as a result of the grant, holding, vesting, exercise, or payment of any award under the Plan.

**55. *What other taxes may apply?***

In addition to federal income taxes, you may be subject to federal social security taxes (including hospital insurance taxes) and self-employment taxes, as well as state, local and foreign taxes.

**56. *Can the Company withhold taxes in connection with awards granted under the Plan?***

Yes. The Company may be required to withhold U.S. federal, state, local, foreign or other taxes in connection with any taxable payment to be made or benefit to be realized by a participant or other person under the Plan. If the amounts available to the Company for the withholding are insufficient, it will be a condition to the receipt of the payment or the realization of the benefit that the participant or other person make arrangements satisfactory to the Company for payment of the balance of the taxes required to be withheld. At the discretion of the Compensation Committee, these arrangements may include relinquishment of a portion of the payment to be made or the benefit to be realized. Please refer to your award agreement for the withholding method applicable to your particular award.

**57. *Will the Company receive a tax deduction for the awards granted under the Plan?***

To the extent that an individual recognizes ordinary income in the circumstances described above, the Company generally should be entitled to a corresponding deduction, provided, among other things, that the deduction meets the test of reasonableness, is an ordinary and necessary business expense, is not an “excess parachute payment” within the meaning of Section 280G of the Internal Revenue Code, and is not disallowed by the \$1 million limitation on certain executive compensation under Section 162(m) of the Internal Revenue Code.

## **INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE**

### **58. *What does “incorporation by reference” mean?***

The Securities and Exchange Commission allows the Company to “incorporate by reference” the information the Company files with it, which means:

- Incorporated documents are considered part of the Plan Summary and Prospectus;
- The Company can disclose important information to you by referring you to those documents; and
- Information that the Company files with the Securities and Exchange Commission will automatically update the Plan Summary and Prospectus.

### **59. *Which documents are incorporated by reference into this Plan Summary and Prospectus?***

The following documents previously filed by the Company with the Securities and Exchange Commission are incorporated by reference into this Plan Summary and Prospectus:

1. The Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2019, filed with the Securities and Exchange Commission on March 27, 2020.
2. The Company’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2020, filed with the Securities and Exchange Commission on May 13, 2020.
3. The Company’s Current Reports on Form 8-K filed with the Securities and Exchange Commission on January 15, 2020, February 7, 2020, March 6, 2020 and March 31, 2020.
4. The Company’s Definitive Proxy Statement on Schedule 14A, filed on April 28, 2020.
5. The description of the Company’s common stock contained in Registration Statement on Form S-8 registering Shares under the Plan, filed with the Securities and Exchange Commission on March 13, 2020, including any amendment or report filed for the purpose of updating such description.

All documents subsequently filed by the Company pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Securities Exchange Act of 1934 (other than those furnished pursuant to Item 2.02 or Item 7.01 of Form 8-K or other information “furnished” to the SEC) and prior to the filing of a post-effective amendment of the registration statement to which this Plan Summary and Prospectus relates that indicates that all of the securities offered by us pursuant to the registration statement have been sold or that deregisters all securities then remaining unsold thereunder, will be deemed to be incorporated by reference in this Plan Summary and Prospectus and to be part hereof from the time of filing of such documents.

Any statement contained in any document incorporated or deemed to be incorporated herein by reference is deemed to be modified or superseded for purposes of this Plan Summary and Prospectus to the extent that a statement contained in this Plan Summary and Prospectus or in any other subsequently filed document that is also incorporated or deemed to be incorporated herein by reference modifies or supersedes such statement. Any such statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this Plan Summary and Prospectus.

**60. *Where can I get additional information about the Plan or the Company?***

If you write to or call us, we will send you, without charge, any or all of the documents incorporated by reference in this Plan Summary and Prospectus and all other documents that we are required to deliver to you under the Securities and Exchange Commission's Rule 428(b). However, we will generally not send you exhibits to those documents. Requests should be directed to Williams Industrial Services Group Inc., 100 Crescent Centre Parkway, Suite 1240, Tucker, GA 30084, attention: Secretary; telephone number 770-879-4400.

We annually send to our stockholders our annual report to stockholders and a proxy statement for our annual meeting. If you are not receiving such mailings, please notify us, at the address or telephone number noted above, and we will put you on the mailing list. You may also at any time request copies of any of the mailings we have sent to stockholders and we will provide you copies.